

Draft Social Value Policy

Background

The Public Services (Social Value) Act 2012 (the Act) provides a legal obligation on public bodies to consider how the services they commission and procure, over the thresholds provided for in the Public Contracts Regulations, might improve the social, economic and environmental well-being of the area and how, in conducting the procurement it can secure that procurement

Whilst the obligation only applies to above threshold procurements for services (or mixed contracts where services is a large part of the contract) the Council has made the decision that all officers need to consider social value in all the Council's procurements when it is proportionate and relevant to do so.

The aim of the Act is not to alter the commissioning and procurement processes, but to ensure that, as part of these processes, councils give consideration to the wider impact of the services delivered. This also includes encouraging staff to talk to providers and the local community and users of the service to design better services, and explore finding new and innovative solutions.

The Council spends around £23m annually on a range of services and goods. The Act provides a significant opportunity to think creatively about how we can secure wider social, economic and environmental benefits from this spend.

But the Council also wants to use the social value policy to be the start of a conversation about how we use our wider processes, resources and influence to support social value in Cheltenham.

Why social value is important

With the introduction of the council's new corporate plan in March 2019 and subsequent policy decisions, there is much greater clarity on the council's most important priorities which include delivering the cyber central project, delivering the £100m housing investment plan, committing to a carbon neutral Cheltenham by 2030 and tackling child poverty.

In 2020, we have seen the Covid-19 pandemic wreak havoc across the globe. In Cheltenham, we have witnessed significant impacts on our communities and our local economy. Over 1,000 people who were made vulnerable by the crisis were referred into the council's help hub for additional support. Community food banks scaled up their supply and were providing 1,500 food parcels each week to people who were no longer able to access food. Unemployment has risen significantly, the claimant rate (claiming Job seekers allowance and Universal Credit) which was at 2.0% before the crisis has now risen to 5.1%, with some areas seeing a claimant rate of over 8%. As a result, the council has prepared a draft recovery strategy that will address the negative impacts of the crisis whilst also building on the many positives that we have seen.

We have also seen a significant acceleration in our understanding of the impacts of racism in our society thanks to the work of the Black Lives Matter campaigners. On 15 June, the

council committed its support for Black Lives Matter and its total opposition to any kind of racism and agreed that we should work to challenge bias, both deliberate and unconscious, and racism in all its forms.

In the first instance, our social value policy will enable the council to maximise social, economic and environmental benefits from our procurement activities to help us deliver our corporate priorities and our recovery plan.

But the intention is that our social value policy will also provide a framework for how we use our processes, resources and influence to support our communities; and work with them to help build their resilience and to tackle inequalities and disadvantage.

Our social value policy will therefore:

- Define what we mean by social value;
- Set out what our social value priorities are (including our priority communities) and provide examples of the support we are looking for;
- Explain how we will deliver social value.

Our definition of social value

The Social Value Act does not define what is meant by ‘social value’. Therefore the Council will has proposed the following definition of social value that links back to the Cheltenham’s place vision:

Social value is the wider social, environmental and economic benefits that we will secure from our procurement activities to ensure that Cheltenham is a place:

- *Where all our people and communities thrive*
- *Where culture and creativity thrive*
- *Where businesses and their workforces thrive*
- *Where everyone thrives*

Our social value priorities

The council is proposing a set of four social value priorities and outcomes that describe the themes where we wish to secure social value where relevant and proportionate.

The Council has also identified a set of indicators that can be used to measure and track the amount of social value delivered through contracting arrangements. When commissioning goods and services, commissioners and procurement leads must consider the indicators for inclusion into the award criteria or as a performance obligation, where appropriate. These indicators are not an exhaustive list, and commissioners and procurement leads may wish to consider additional indicators.

Social value priorities	Outcomes	Performance indicators
All our people and communities have the opportunity to thrive.	We have improved the health, wellbeing and life chances of local residents with a focus on our priority communities	Number of local community groups and projects supported from the supply chain

Cheltenham is a place where culture and creativity thrive.	Cultural organisations are able to deliver more cultural activities that will support local communities with a focus on our priority communities	Number of local cultural groups and projects supported from the supply chain
Cheltenham is a place where businesses and their workforces thrive	<p>Young people are supported into apprenticeships</p> <p>Local residents are able to gain and retain employment with a focus on our priority communities</p> <p>Local residents are able to maximise their education, knowledge and skills with a focus on our priority communities</p> <p>Promotion of opportunities to work with local voluntary and community sector organisations / social enterprises and SMEs</p> <p>There is progression towards paying a living wage to employees</p>	<p>Number of employers within the supply chain operating apprenticeship schemes</p> <p>Number of local residents accessing apprenticeships / employment within the supply chain</p> <p>Number of local residents accessing training / skills development / qualifications within the supply chain</p> <p>Number of contracts within the supply chain that are awarded to local VCS / social enterprise / SMEs</p> <p>Number of employers within the supply chain paying a living wage</p>
Cheltenham's environment enables everyone to thrive	<p>We have reduced our carbon emissions as part of our commitment to be carbon neutral by 2030</p> <p>There is practical support for enhancing the natural environment and promoting bio-diversity.</p>	<p>Carbon emissions generated / offset as a result of the procurement.</p> <p>Number of local environmental groups and projects supported from the supply chain</p>

Identifying our priority communities

Although Cheltenham remains a relatively affluent town where the majority of our residents are thriving and are able to lead good lives, not all our residents are in a position to thrive and these are broken into four groups:

- Children and young people growing up in poverty;
- Adults and older people that are vulnerable due to their health or care needs or their social circumstances
- Residents facing inequality and disadvantage due to their employment or education circumstances
- Residents facing inequality, disadvantage or discrimination.

The council will be looking to make sure that our social value investment benefits our priority communities.

More information about the latest data on needs was discussed at our overview and scrutiny committee in [October 2019](#)

How we will deliver social value - procurement

The Council procures a wide range of goods and services, and it is recognised that there can be no 'one size fits all' model. This policy will, therefore, need to be applied in a proportionate manner and be tailored to reflect the service, goods or works to be procured. It is the role of commissioners and procurement leads to consider, on a contract by contract basis, the potential social value outcomes that could be delivered through the procurement process and the most appropriate procurement strategy to achieve these.

We will apply this policy in a way to ensure that it is fair to all providers.

We will also apply social value consideration to any new procurement / commissioning activity, but also explore how we can incorporate social value within existing management arrangements with The Cheltenham Trust, Ubico, Publica and CBH.

In addition, the council aspires to ensure that the concept of social value is considered in all our organisational change activities including those applying to how we assess services that are delivered directly by the Council.

The council has recently amended its constitution whereby officers can seek three quotes for contracts with a value up to £25k, rather than the previous value of £10k. Above £25k a full competitive tender process will be required. Therefore, our approach to social value is split into the following:

Informal - all procurement below £25k

Officers will ensure that the specification takes account of our social value priorities and that all bidders are given the opportunity to contribute to social value regardless of size of procurement.

Formal – larger procurement opportunities £25k and above

Officers will ensure that the specification takes account of our social value priorities and includes relevant and proportionate social value outcomes that we wish to see from the procurement. Officers may wish to include consultation with community groups to ensure that any practical support is not prescribed but co-created with that community. In addition, bidders will also be expected to set out how they will meet our strategic intentions

Officers will also consider making social value a contractual obligation within the specification where it is appropriate to do so. Examples could include cutting CO2 emissions by a certain percentage, recruiting x number of apprentices etc.

Social value priorities and outcomes will then be included in all procurement documents so that bidders complete Price, Quality and Social Value sections which can then be scored.

The suggested minimum weighting given to social value considerations is 10%

We will also communicate the Social Value policy to all internal staff, providers and partners and develop a programme of training and development to improve understanding of social value and our approach and practice.

How we will deliver social value - processes, resources and influence

Whilst the focus will be on applying social value consideration to new procurement activity, the council will also ensure that we use our processes, resources and influence to help deliver our social value priorities. This might include the following:

Processes – making sure that social value priorities are considered in our organisational change activities including those applying to how we assess services that are delivered directly by the Council.

Resources – how we use our council volunteers to support social value priorities

Influence - how we incorporate social value within existing management arrangements with The Cheltenham Trust, Ubico, Publica and CBH.

Measuring the impact of our social value policy

We will produce an annual review of the benefits secured through the Social Value Policy which will be reported to the council's Overview and Scrutiny Committee. This will provide an opportunity to adjust our approach as we learn from practice and feedback.

The following information will be made available as part of the annual review:

- Performance monitoring information about all contracts delivering practical support across our four social value priorities in the relevant financial year.
- An assessment of the total spend with local businesses inc the voluntary and community sector through using local supply chains.
- Evidence of how local people and communities have been involved in determining social value outcomes.
- Minimum one case study of a procurement process where the social value policy has been applied.

Consultation

It is important that local communities are engaged in shaping and deciding what is important to them, as well as engaging with the market to understand their ideas for how they can contribute to our social value priorities. In order to ensure our proposed ideas really do add social value we need to engage with communities to understand their existing assets and then use this information to build the social value requirements of our procurement activity. This way we can be sure we are adding and not simply duplicating the value already existing within a community, as this could have an adverse impact. It is important to evidence the co-creation activity and how this has been used to identify social value.

Example questions

In order to achieve Social Value outcomes, the Council has developed a number of questions for use during the procurement process.

The questions below are provided as examples and may be tailored, or new questions created, to meet requirements of the contract and ensure compliance with the Act in being relevant and proportionate to the procurement.

Social value priorities	questions
Over-arching	Please explain what your social value offer will be in relation to this contract and how it will be of benefit to Cheltenham and its residents. This could include social, economic or environmental wellbeing and should demonstrate added value
All our people and communities have the opportunity to thrive.	<p>How will you improve the health, wellbeing and life chances of local communities with a focus on our priority communities</p> <p>How will your organisation work to help others? For example local charities, local community groups, local resident engagement, supporting local culture and heritage. This could include funding specific events and groups, sponsorship or sharing expertise, knowledge or facilities and equipment.</p>
Cheltenham is a place where culture and creativity thrive.	How will you support cultural organisations to deliver more cultural activities that will support local communities with a focus on our priority communities
Cheltenham is a place where businesses and their workforces thrive	<p>What apprenticeship opportunities will you provide for local young people?</p> <p>How you will support the recruitment of people from Cheltenham</p> <p>How will you support local people from our priority communities to gain and retain employment</p> <p>How will you support local people from our priority communities to maximise their education, knowledge and skills.</p> <p>What education engagement will you offer? For example with schools, colleges or training providers and how will this be achieved? For example, through site visits, careers talks, work placements etc</p> <p>What support will be provided to the local supply chain through this contract, including activities, information, resources and organisations? For example, promoting supply-</p>

	chain opportunities to local voluntary and community sector organisations, social enterprises and small and medium-size enterprises or allowing access to and use of facilities.
Cheltenham's environment enables everyone to thrive	<p>What are the CO2 emissions associated with delivering the contract?</p> <p>How will these CO2 emissions be offset or reduced.</p> <p>What are the other main environmental impacts associated with delivering the contract?</p> <p>How will you reduce waste and promote recycling as part of the contract</p> <p>How will you provide practical support for enhancing the natural environment and promoting bio-diversity?</p>

For further information, contact

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